

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6372

BILL NUMBER: HB 1614

NOTE PREPARED: Jan 26, 2009

BILL AMENDED:

SUBJECT: Admission of Veterans to State Parks and Museums.

FIRST AUTHOR: Rep. Goodin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that an Indiana resident who (1) served in the armed forces of the United States, the reserves, or the National Guard; and (2) was honorably discharged; is eligible to receive a free Hoosier Golden Passport for admission to state recreational areas and museums. The bill makes a technical correction.

Effective Date: July 1, 2009.

Summary of NET State Impact: The net impact would be an estimated \$1.9 M annually to the State Parks and Reservoirs Fund, which is used to fund the operations of the Department of Natural Resources (DNR).

Explanation of State Expenditures: The DNR would experience an increase in administrative expenses associated with issuing Golden Hoosier Passports to persons eligible for a full fee exemption under the bill. Expenditures for the DNR relative to fee-exempt persons would be for administrative costs for producing and mailing the Golden Hoosier Passport. The DNR would experience an increase in administrative expenditures of approximately \$70,000. These expenses could be reduced if the DNR did not mail the passports.

Explanation of State Revenues: Under the bill, a resident who served in the U.S. armed forces, the reserves, or the Indiana National Guard (ING), and received an honorable discharge is eligible to receive the Golden Hoosier Passport at no charge. Potential revenue loss from this provision is estimated to be \$1.8 M annually. Revenue collected from the sale of Golden Hoosier Passports is deposited into the State Parks and Reservoirs Operating Account, which funds DNR operations.

Background.

The U.S. Department of Veterans' Affairs estimates that there are approximately 518,000 veterans in Indiana as of July 2008. This figure includes persons who served in the active and reserve components of the armed forces of the United States and the ING. The Indiana Department of Veterans' Affairs reports that there were approximately 31,000 active duty military or reserve and ING members in Indiana as of December 2008. Adding the number of veterans with active duty personnel provides a total population of approximately 550,000.

Currently, persons who are at least 65, or are eligible for Social Security disability payments, or are eligible to obtain a veteran with disability license plate are eligible for a 50% fee exemption. Persons eligible for a prisoner of war plate are eligible for a 100% fee exemption. The number of persons currently eligible under all these exemptions is estimated to be approximately 180,000.

Veterans Currently Eligible to Purchase a Passport. In CY 2008, 8,898 license plates were sold to veterans with disabilities. These veterans are eligible to purchase a passport for 50% of the cost of the resident annual entrance permit, or \$18. Of the total eligible group of 180,000, veterans made up almost 10,000, or 5.5% of the total. Applying this percentage to the current passport sales provides an estimate that approximately 825 veterans are currently purchasing passports at 50% of the cost.

The bill would provide that these veterans would receive the passport free of charge. The estimated reduction of revenue for this group of veterans would equal \$14,850.

In CY 2008, 440 POW plates were issued. These veterans currently do not pay a fee, so there would be no additional revenue lost for this group.

All Other Veterans. The total number of veterans is approximately 550,000. If the veterans that are estimated to be purchasing the passport at 50% of the regular price were subtracted from the total number, approximately 549,175 veterans would remain and would be eligible for the free card.

FY 2008 State Parks and Reservoirs had approximately 17.6 million visitors, generating \$21 M. Given the 6.377 M population of Indiana, the per capita revenue generated by gate receipts equaled \$3.29. Assuming the veteran population would visit state parks and reservoirs at a level similar to the general population, applying the per capita gate receipt number to the eligible population of veterans of 549,175 would equal \$1,806,800.

Adding this figure of \$1,806,800 for all other veterans with the revenue loss of \$14,850 from veterans currently able to receive a 50% discount would equal about \$1,822,000.

Additional Information: The DNR reports the following revenue and sales history for Golden Hoosier Passports.

Number of Golden Hoosier Passports Sold and Revenue by Year		
Year	Passes Sold	Revenue
2004	15,945	\$191,334
2005	17,321	\$225,177
2006	13,770	\$247,860
2007	15,451	\$278,126
2008	14,603	\$262,857
Total	77,090	\$1,205,354
Average	15,418	\$241,070

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR.

Local Agencies Affected:

Information Sources: Julie Planck and Chris Smith, DNR; U.S. Department of Veterans' Affairs, http://www.index.va.gov/search/va/va_search.jsp?SQ=&TT=1&QT=indiana+members&searchbtn=Search; Tom Applegate, Indiana Department of Veterans' Affairs, 317-232-3923; U.S. Census website, <http://quickfacts.census.gov/qfd/states/18000.html>; Bureau of Motor Vehicles.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.